





WELFARE REFORM UPDATE

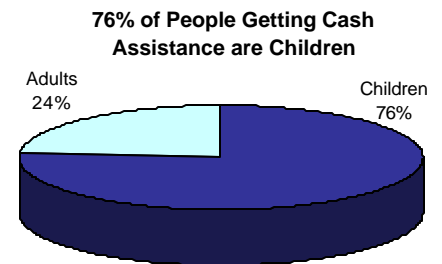
Ways to Help Individuals & Families in Crisis Locally:

-  Donate \$1 on your Tempe Water Bill to Tempe's Help to Others-all donations go directly to nonprofit agencies
-  Volunteer at a local nonprofit agency-contact Volunteer Center at 602-263-9736 to ask who needs help
-  Spring Cleaning? Make a contribution to a nonprofit and receive a tax incentive-contact Community Info. & Referral at 602-263-8856 for nonprofit agency info.
-  Donate to regional campaigns to help the community, such as Season for Sharing, especially if donations are matched by a foundation

The Arizona Network for Community Responsibility has issued a study of Arizona welfare reform, "6 Lessons Learned 6 Years Later". Information reviewed is from the AZ Dept. of Economic Security for years 1997 (before the implementation of federal law in Arizona) through 2001. Some key findings from the study are (emphasis added):

Lesson 1: The Economy Plays a Pivotal Role in Caseload Size...Overall, caseloads declined about 38% in Arizona between 1997 and 2001...However, despite this overall decline, caseloads are on the way back up. Indeed, cash assistance caseloads rose *40 percent between 2000 and 2002*... Economic analysis finds that a strong economy played a significant role in the decline of the welfare rolls...

Lesson 2: Welfare Reform is Really About Kids...most people who receive cash assistance are children, and...a substantial portion of families receiving welfare *have no adult in the caseload*. Currently, *76% of all people receiving cash assistance are kids*... In addition, *40 percent of the caseload has no adult* in the household receiving cash assistance...two out of five households will never be able to 'work' their way off welfare and such cases should not be subject to time limits...



Lesson 3: Most Families Who Leave Welfare for Work Lack Stable Employment...Administrative data [from DES] reveal that between one-quarter and one-third of families leave welfare for work. Survey data suggests this percentage is higher – closer to 60 percent...The average wage of a parent leaving welfare for work in 2001 was \$7.38 per hour...close to the poverty line for a family of three...*Less than half of parents...are still employed three months after leaving welfare for work*...

Lesson 4: State Policies Matter – One on One Help is Effective in Promoting Compliance...In mid-2000, DES began providing home visits to families before they were kicked off welfare by sanctions...to help families understand why they were being sanctioned and what they needed to do...DES then took this one step further, referring families to community assistance before sanctioning them for the first time. Concurrently, DES modified sanction notification and other policies, as well. Since these policy changes, *the sanction rate has fallen in half*...

Lesson 5: Time Limits Appear to Have Limited Impact...The data demonstrates that welfare was never a way of life for most families. Most used welfare as a temporary safety net in a time of need. Time limits have done little to change that for most families...

Lesson 6: Families are More Likely to Return to Cash Assistance Now Than Before Welfare Reform...Families are far more likely to bounce on and off cash assistance now than before the implementation of welfare reform efforts... *Families are six times more likely to bounce on and off welfare in 2001 than in 1997*..."

The full study may be viewed online at www.azchildren.org.